



February 22, 2001

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## HOUSE BILL No. 2116

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DIGEST OF HB 2116 (Updated February 21, 2001 1:10 PM - DI 97)

**Citations Affected:** Noncode.

**Synopsis:** Insurer credit scoring. Establishes an interim study committee on insurer credit scoring. Requires the committee to study the use of credit reports as an underwriting tool for the issuance of property and casualty insurance. Specifies certain issues for consideration by the committee. Requires a final report to the legislative council, including proposed legislation.

**Effective:** July 1, 2001.

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### Ripley, Crooks, Hasler

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January 17, 2001, read first time and referred to Committee on Insurance, Corporations and Small Business.  
February 21, 2001, amended, reported — Do Pass.

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HB 2116—LS 6089/DI 97+



February 22, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 2116

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. [EFFECTIVE JULY 1, 2001] (a) As used in this  
2       SECTION, "committee" refers to the interim study committee on  
3       insurer credit scoring established by this SECTION.

4       (b) There is established the interim study committee on insurer  
5       credit scoring. The committee shall study the use of credit reports  
6       as an underwriting tool for the issuance of property and casualty  
7       insurance policies, including consideration of the following issues:

8               (1) Insurer use of credit reports as a sole underwriting tool.

9               (2) Disclosure of the credit scoring methodology used by an  
10              insurer in underwriting, including designation of the  
11              methodology as a trade secret and confidentiality.

12             (3) Specific factors or criteria used in the credit scoring  
13              process.

14             (4) Resolution of adverse effects to an individual due to  
15              underwriting determinations made based on the individual's  
16              credit report.

17       (c) The committee consists of the following voting members:

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1 (1) Four (4) members of the house of representatives  
2 appointed by the speaker of the house of representatives. Not  
3 more than two (2) members appointed under this subdivision  
4 may be members of the same political party.

5 (2) Four (4) members of the senate appointed by the president  
6 pro tempore of the senate. Not more than two (2) members  
7 appointed under this subdivision may be members of the same  
8 political party.

9 (3) One (1) member who is a representative of personal lines  
10 property and casualty insurance companies, appointed by the  
11 speaker of the house of representatives.

12 (4) One (1) member who is a representative of independent  
13 insurance agents, appointed by the president pro tempore of  
14 the senate.

15 The chairman of the committee shall be appointed by the speaker  
16 of the house of representatives from the members appointed under  
17 subdivision (1).

18 (d) The committee shall operate under the policies governing  
19 study committees adopted by the legislative council.

20 (e) The affirmative votes of a majority of the voting members  
21 appointed to the committee are required for the committee to take  
22 action on any measure, including final reports.

23 (f) The committee shall prepare a final report, including any  
24 proposed legislation, and submit the final report to the legislative  
25 council.

26 (g) This SECTION expires November 1, 2001.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 2116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 2116 as introduced.)

CROOKS, Chair

Committee Vote: yeas 14, nays 0.

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